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**EXHIBIT L**

(Appraisal)

DATE OF MARKET VALUE "AS IS"

October 3, 2009

DATE OF REPORT

October 19, 2009

REAL PROPERTY APPRAISAL  
SUMMARY REPORT OF

**CARTER'S GROVE**  
**Historic Riverfront Estate**  
**8797 Pocahontas Trail**  
**Main Residence and Dependencies on 400.532 Acres**  
**Williamsburg, James City County, Virginia 23185-6025**  
**AGI File 2930146**

PREPARED FOR

Ms. Michelle Pecorino  
Deutsche Bank Private Wealth Management  
280 Park Avenue, NYC03-0603  
New York, NY 10017

PREPARED BY

Appraisal Group, Inc.  
1445 East Rio Road, Suite 203  
Charlottesville, Virginia 22901



**APPRAISAL GROUP INC**  
Real Estate Appraisers and Consultants  
www.appraisalgroupinc.com

October 19, 2009

Ms. Michelle Pecorino  
Deutsche Bank Private Wealth Management  
280 Park Avenue, NYC03-0603  
New York, NY 10017

**RE: CARTER'S GROVE**  
**Historic Riverfront Estate**  
**8797 Pocahontas Trail**  
**Main Residence and Dependencies on 400.532 Acres**  
**Williamsburg, James City County, Virginia 23185-6025**  
**AGI File 2930146**

Dear Ms. Pecorino:

As requested, we have personally conducted an inspection, gathered necessary data, and analyzed the facts, which have enabled us to form an opinion of the market value "as is" of the fee simple estate in the subject property known as Carter's Grove, which consists of the main residence and dependencies on 400.532-acres. Carter's Grove, known as "one of Americas most significant homes," was most recently a house museum for over 20-years with the Colonial Williamsburg Foundation. This report is prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).

Based on the research and analysis, we conclude that the fee simple estate in the subject property, subject to the assumptions and limiting conditions stated in the report, had a market value "as is", as of October 3, 2009, of:

**TWENTY-ONE MILLION DOLLARS . . . . . \$21,000,000**

The summary report that follows this letter includes the identification of the subject property, the assumptions and limiting conditions, pertinent facts about the subject property and market area, comparable data, and analysis which lead to the conclusion stated above. Accompanying this report is an addendum containing supplementary exhibits.

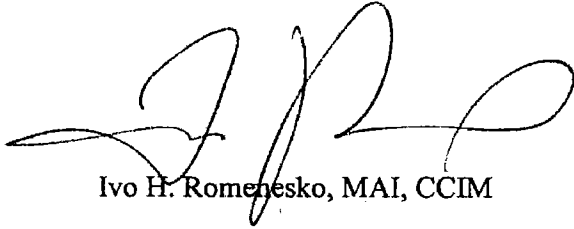
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IVO ROMENESKO, MAI, SRA, CCIM

Thank you for this opportunity to be of assistance. In the event that we may be of assistance to you in the future, please do not hesitate to call us.


Sincerely,


A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.


Ivo H. Romanesko, MAI, CCIM


A handwritten signature in black ink, appearing to read 'Diana Svedics' with a stylized, cursive script.

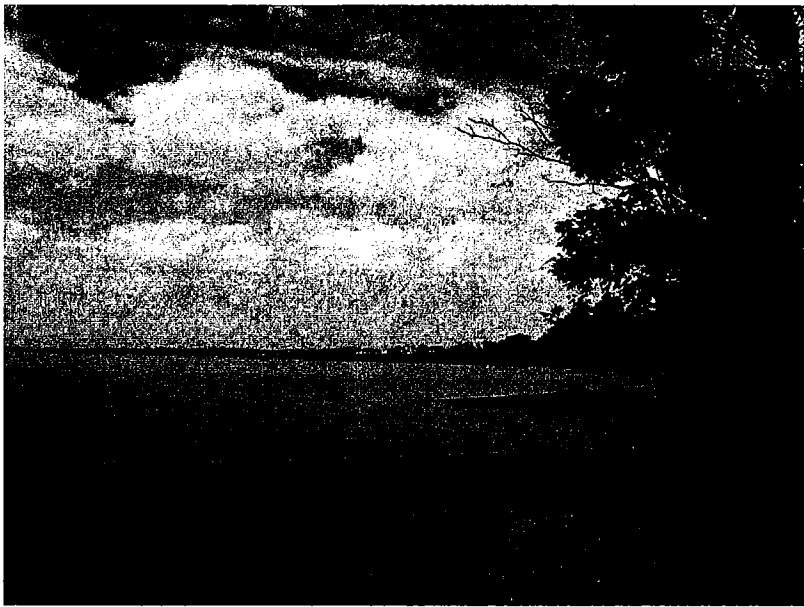
Diana Svedics


	Carter's Grove
	Description
	View of Carter's Grove from James River side
	Photograph

	Carter's Grove
	Description
	View of Carter's Grove from James River side
	Photograph

	Carter's Grove
	Description
	View of Carter's Grove from main driveway
	Photograph

	Carter's Grove
	Description
	View of Subject Land and Main Driveway from House
	Photograph

	Carter's Grove
	Description
	View of James River Frontage looking towards Kingsmill (west)
	Photograph

	Carter's Grove
	Description
	View from Third Story of Carter's Grove looking towards Bunker and James River
	Photograph

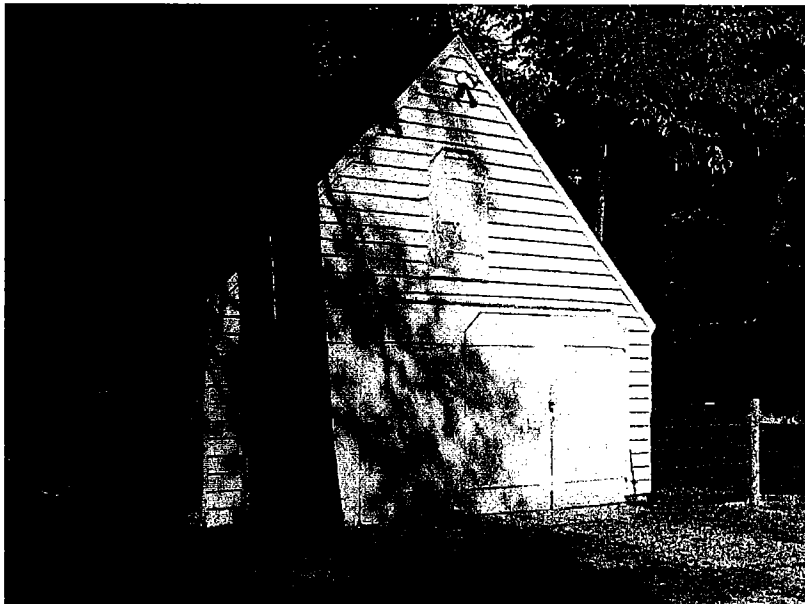


Carter's Grove

Description

Front view of Tenant House

Photograph



Carter's Grove

Description

Two Car Garage

Photograph



Carter's Grove

Description

Two Car Garage

Photograph




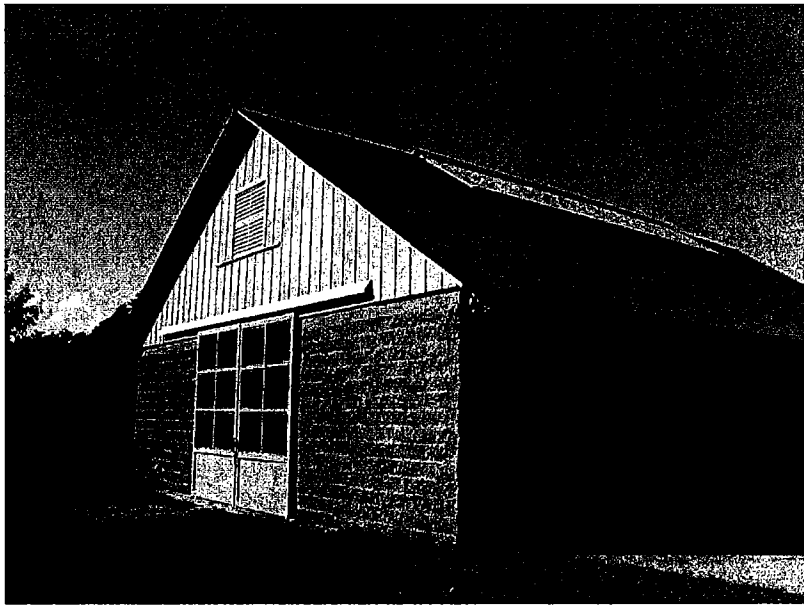
Carter's Grove

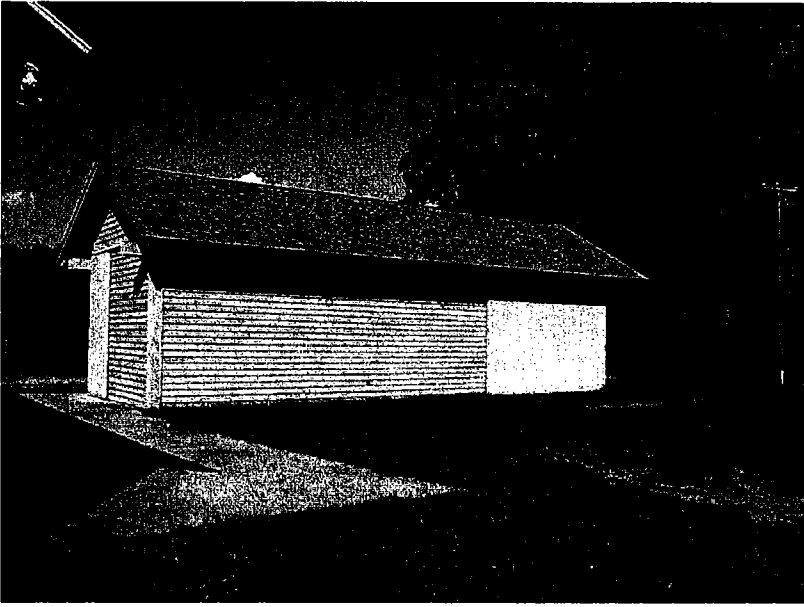
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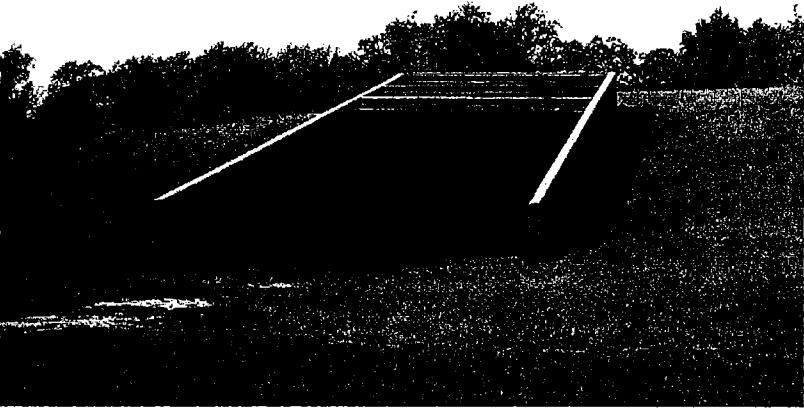
Stables

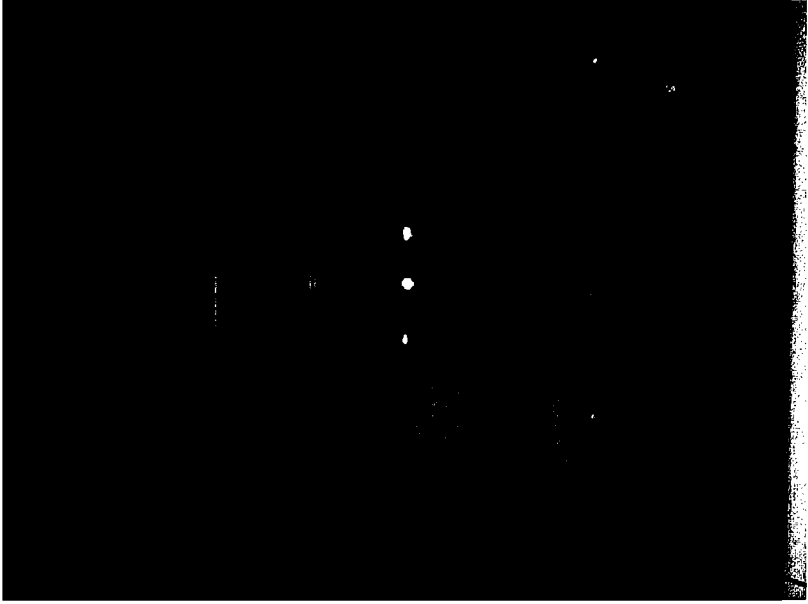
Photograph


	Carter's Grove
	Description
	Office
	Photograph


	Carter's Grove
	Description
	Barn
	Photograph

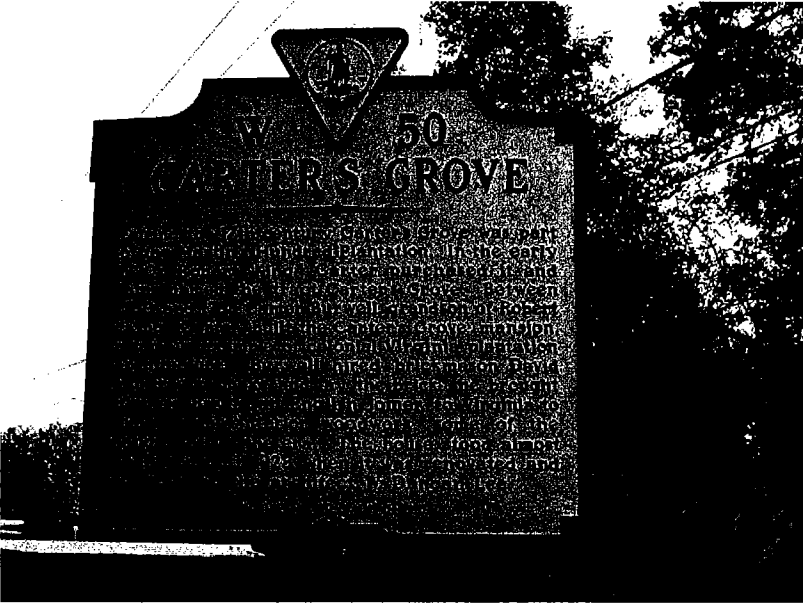
	Carter's Grove
	Description
	Barn
	Photograph

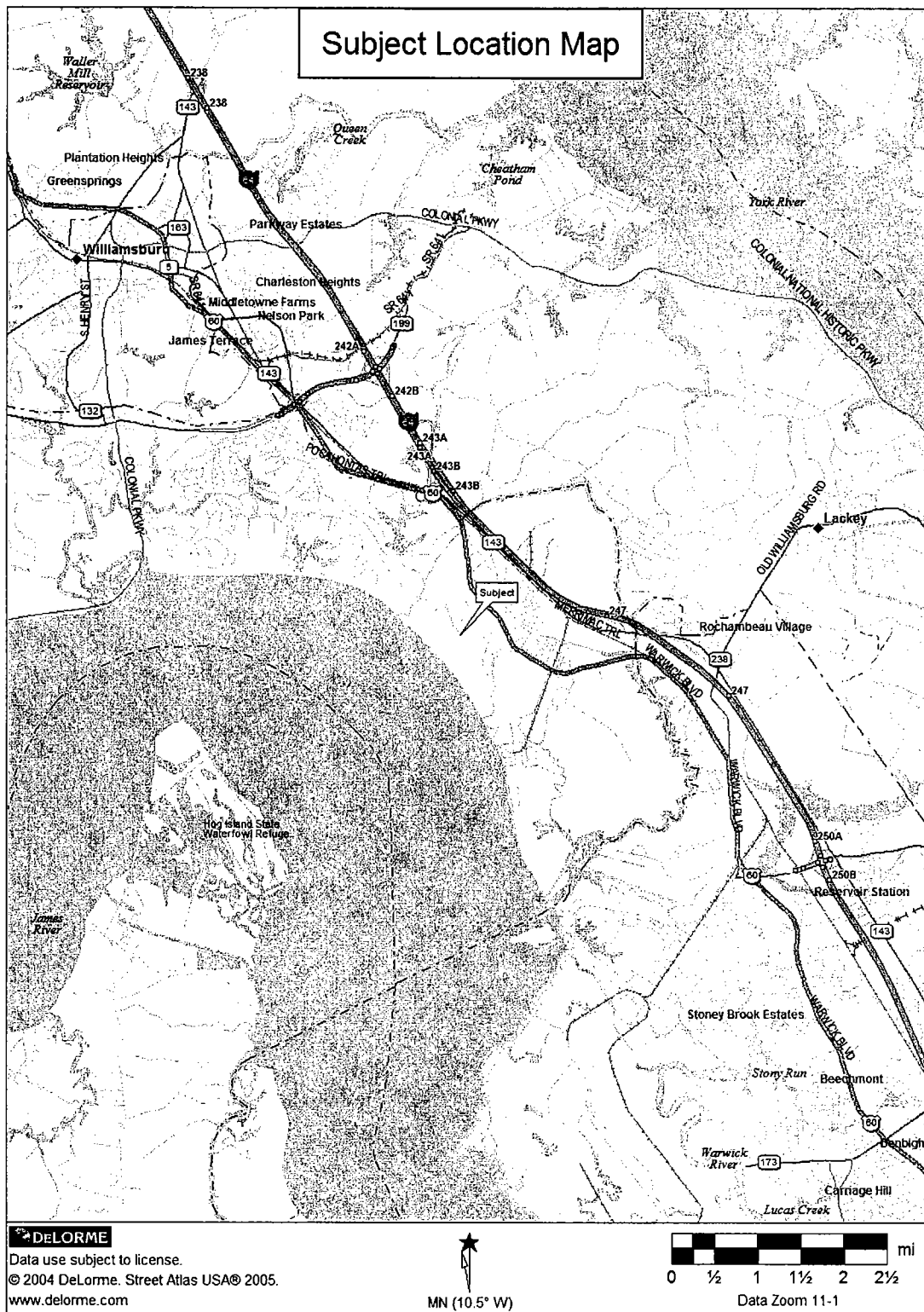
	Carter's Grove
	Description
	Entrance to Rockefeller Museum
	Photograph

	Carter's Grove
	Description
	Interior View of Rockefeller Museum
	Photograph

	Carter's Grove
	Description
	View of Subject Land
	Photograph

	Carter's Grove
	Description
	View of Pocahontas Trail with Subject on Left
	Photograph

	Carter's Grove
	Description
	View of Subject's Historical Marker at Entrance
	Photograph



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**SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS**

Type of Property: Historic farm and estate

Location: The physical address of the main residence is 8797 Pocahontas Trail, Williamsburg, James City County, Virginia 23185-6025

Current Ownership: Carter's Grove, LLC

Current Use: Historic estate, with agricultural uses that is encumbered by conservation easement

Purpose of Appraisal: Form an opinion of the market value "as is" of the fee simple estate in the subject property for financing purposes

Highest & Best Use as Though Vacant: Historic estate, with agricultural uses

Highest & Best Use as Improved: Current use (current improvements)

Land Size: 400.532 acres

Main Residence Size: 18,709 square feet (finished above grade space)

Secondary Structures: One tenant house, Rockefeller Museum, barns, and sheds

Utilities: Public water, electricity and telephone. Three private septic systems. Fire hydrants located throughout property.

Zoning: R8, Rural Residential  
Encumbered by Easements

Date of Market Value "as is": October 3, 2009

Date of Inspection: October 3, 2009

Date of Report: October 19, 2009

**Market Value "as is": \$21,000,000**

## PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value "as is" of the fee simple estate in the subject property for financing purposes.

Market value, as defined herein, is defined by The Office of the Comptroller of the Currency (CFR 34.42f) as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

Market value does not account for the unpredictable buyer who will pay a price in excess of that which appears supportable and reasonable or sales which are made under adverse conditions.

## PROPERTY RIGHTS APPRAISED

The fee simple estate is appraised in this report and is defined by The Appraisal Institute as:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002).

**Please note that the subject is encumbered by a conservation easement.**

Restricted fee simple interest: The fee simple interest, subject to the conservation easement, is appraised in this report. In this case, a conservation easement limits the development potential of the property beyond that which is set by local zoning, as described in the body of this report.

Conservation Easement: An easement is a non-possessory right to use or enjoy the land of another and may be created in a variety of ways. In the case of the subject property, the easement was created by express grant between the property owner and the beneficiaries, the Virginia Outdoors Foundation and Virginia Board of Historic Resources. The deed of easement is recorded with the Clerk of Circuit Court of James City County in instrument number 070034660. A copy of the easement document has been reviewed and its general provisions form the basis of this valuation, subject to its restrictions. As a qualifying preservation easement, it is required by law to be in gross: that is, not for the sole benefit of adjoining or accessory land, and to be given in perpetuity. It is both affirmative and negative in nature, in that it allows the Grantee specific rights in the affected property while restricting the Grantor of other rights.

It is noted that when the conservation easement was initially executed the subject was zoned R-8, Rural Residential. This zoning, although agricultural in nature, allowed low density residential uses. Public water is available on the site and sewer is located along Pocahontas Trail near the subject and there was strong growth demand as evidenced by the residential waterfront development in Kingsmill. These facts suggested that a subdivision, perhaps in conjunction with Kingsmill, would be an economically feasible use, hence the protective preservation features of the easement were appealing to the land owner.

The Chesapeake Bay Preservation Act and other water quality regulations places more restrictions on waterfront land. The higher land use restrictions imposed on wetlands by the Commonwealth of Virginia and the United States, have all acted to narrow the value gap between free and clear land, and land encumbered by a conservation easement in James City County.

## DEFINITIONS

### Market Value "As Is"

"The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning."

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. (Chicago: Appraisal Institute, 2002).

## INTENDED USE

The intended use of the appraisal is to aid the client, Deutsche Bank, for financing purposes.

## INTENDED USER

The intended user of the appraisal is the client, Deutsche Bank. This report is for sole use by the client and no other party may use or rely on this appraisal.

## ESTIMATE OF EXPOSURE AND MARKETING TIME

### Estimate of Exposure Time

Reasonable exposure time is defined as the estimated length of time that a property would have to have been offered on the market prior to the hypothetical sale at the estimated market value on the effective date of the appraisal. Based on the exposure periods for comparable properties in the area that have sold in recent years, as well as current market conditions, a reasonable exposure time of six to twelve months is estimated for the subject.

### Estimate of Marketing Time

Marketing time is defined as the estimated length of time that it would take to sell a property at its market value occurring immediately after the effective date of the appraisal. A marketing time of six to twelve months is estimated for the subject.

## SCOPE OF THE APPRAISAL

The subject property was inspected on October 3, 2009, by Mr. Ivo Romenesko, MAI, and Mrs. Diana Svedics, Certified General Real Estate Appraiser. A thorough investigation of the surrounding neighborhood was made at that time and upon subsequent visits.

Sales, cost and demographic information were gathered, confirmed, and analyzed by your appraiser. Local sources of information included, but were not limited to, area real estate brokers, property managers, property owners, engineers, and government officials. Published sources of information included various government and investment publications. Computer software utilized in the analysis and publication of the report included Microsoft Word and Excel. Appraisal Group, Inc., reserves the right to alter its opinion of value on the basis of information withheld or not discovered in the normal course of diligent investigation.

Mr. Halsey Minor, owner; Mr. Venable Minor, owner representative; and Mr. Rob Mays, farm manager, provided property specific information.

Because of the subject's historic significance and limited sales of similar quality, we analyzed the subject and comparables via the methodology from the following Appraisal Institute articles: *The Costs and Benefits of Historic Properties*, by Judith Reynolds, MAI, 2006; *The Appraisal of Designated Historic Properties*, by David Listokin, 1982; and *Historic Properties: Variable Valuation*, by Sally G. Oldham, 1982.

All approaches to value typically found relevant by those in the appraisal profession are completed in this appraisal. Less weight is placed on the Cost Approach due the availability of adequate sales in the Sales Comparison Approach and the difficulty estimating depreciation on a property over 250-years old. The value indicated by the Cost Approach supports the final value conclusion.

The Sales Comparison Approach is a valid indication of value if there are a significant number of comparable improved sales. There were sufficient comparable sales to develop this approach; however, the volume of recent comparable transactions has been very low. The majority of the sales is recent and shared somewhat similar characteristics, but the comparables required substantial adjustments in order to adjust for the subject's uniqueness. The Income Approach provides a reliable indication of value particularly for leased properties. This approach relates the projected income stream to an estimate of value based on the investor's return requirements. Estate properties, such as the subject, are not generally bought, sold, or used for income production. In such cases, the Income Approach cannot be accurately developed, nor would it provide a reliable indication of value. The Income Approach has not been developed in this analysis.

The comparables used in this appraisal are located in James City, Henrico, Chesterfield, Fauquier, Charles City and Albemarle Counties. The subject neighborhood was thoroughly researched and comparable sales from the subject neighborhood are used whenever possible.

### COMPETENCY PROVISION

Prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience to complete the assignment, or alternatively:

- *disclose the lack of knowledge and/or experience to the client before accepting the assignment and;*
- *take all necessary or appropriate steps to complete the assignment competently; and*
- *describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.*

Our experience appraising historic farm and estate quality properties in Virginia for over thirty years, as well as our knowledge of the local market and the research conducted with regard to current sales, provides us with the ability to complete this assignment in adherence with the competency provision. We have appraised numerous conservation easements throughout Virginia. In addition, Ivo H. Romenesko, MAI, and Diana Svedics are Certified General Real Estate Appraisers by the Commonwealth of Virginia.

**ASSUMPTIONS AND LIMITING CONDITIONS****General Assumptions and Limiting Conditions**

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption

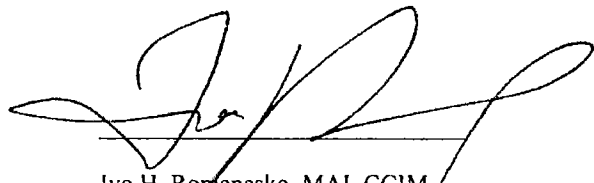
that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any experience or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

12. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
13. Possession of this report, or a copy thereof, does not carry with it the right of publication.
14. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
15. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
16. The Americans with Disabilities Act (ADA) became effective July 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the act. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.
17. This appraisal has been prepared for the exclusive benefit of the client. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the appraiser's written consent, does so at his own risk.

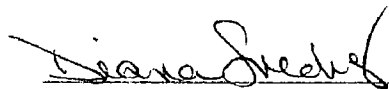
**CERTIFICATION (2008)**

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
8. No one provided significant real property appraisal assistance to the person(s) signing this report. However, other members of the staff of Appraisal Group, Inc., may have assisted in processing portions of the data used.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. A personal inspection of the subject property was made as indicated below.
11. As of the date of this report, Ivo H. Romenesko, MAI, has completed the requirements of the continuing education program of the Appraisal Institute.
12. The appraiser has performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice.
13. I currently hold an appropriate certification allowing the performance of real estate appraisals in connection with federal transactions in the state in which the subject property is located.

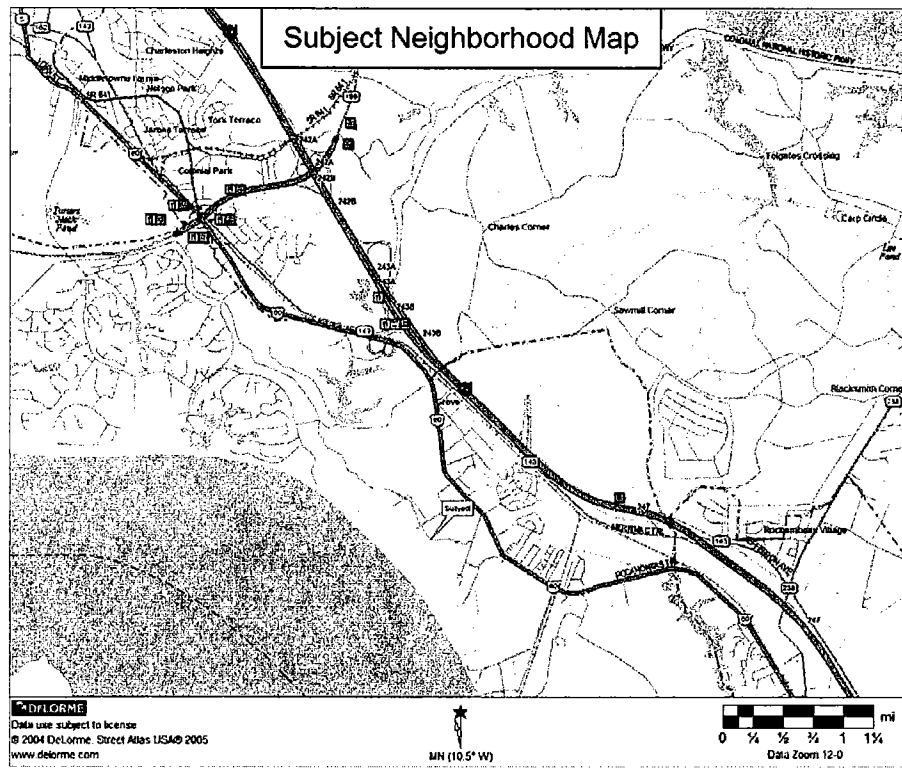


Ivo H. Romenesko, MAI, CCIM  
Certified General VA #4001 000587  
Site Inspection ☒ Yes ☐ No



Diana Svedics  
Certified General VA #4001 010455  
Site Inspection ☒ Yes ☐ No

## SUBJECT NEIGHBORHOOD



The subject property is located eight miles east from Williamsburg, in the town of Grove, James City County, Virginia. Located along Route 60, the subject is near the Kingsmill Resort and Busch Gardens Williamsburg theme park, each was developed by Anheuser Busch. Grove is bordered by the James River and separated from the Newport News city limits near Lee Hall by Skiffe's Creek. Interstate 64 is within a few miles of the subject property.

Land uses in the area are predominately agricultural for the larger tracts and are mixed with small single family sites and commercial uses. Grove is located in almost the exact center of the Historic Triangle of Colonial Virginia, comprising Jamestown, Williamsburg and Yorktown, all linked by the Colonial Parkway. The area is one of the busiest tourist destinations in the world.

The general neighborhood is considered to be very desirable and includes a number of estate properties dating to the 18th and 19th centuries. These properties, like the subject, were customarily located on navigable waterways which were originally used as transportation routes. Today, these waterfront locations are considered more for their amenity value than for their economic purpose. The subject is advantageously located within close proximity to shopping, employment, schools and services. Thus, Grove's specific location combines convenience while retaining a colonial atmosphere.

During the two World Wars, Grove became home to hundreds of people, where land was taken by the Federal Government for military use. Those lands now comprise the Naval Weapons Station Yorktown, the Cheatham Annex supply complex, and Camp Peary.

Grove currently includes residential areas, churches, neighborhood retail businesses, a nursing home, day care facilities, a modern community center and a magnet school of the Williamsburg-James City County Public Schools (WJC). As of early 2008, many new homes were under construction. Along the southeastern edge, many available sites and frontage on the James River and Skiffe's Creek are zoned for industrial purposes, and have been attractive to developers, where the expansion on vacant land was ongoing.

We must mention the neighboring sites which are known to have had and/or have environmental issues. Adjacent BASF, an industrial site, is known to have had environmental issues which have been remediated. Although a few miles from the subject property, the government has a facility in the James River known as the "Ghost Fleet," where uncommissioned military naval ships are stored until disposed of. Recently, Congress along with the increase of steel prices, have diminished the supply. These ships are known to release PCB's into the water systems. These facilities do not appear to have a negative impact on the subject's value as we look to the other adjacent uses which include >\$1,000,000 condominium units along the James River.

## **BRIEF MARKET OVERVIEW**

The farm and estate market in Virginia have experienced a high level of demand over the past decade; however, demand for estate properties has declined due to the ongoing national recession. Values of farm and estate properties have experienced recent declines, which are likely to continue until the recessions eases and financing becomes more readily available. Based on the history of listing prices and the days on market of the listings there appears to be a large spread between the bid/ask prices for estate properties.

Currently the Multiple Listing has over 30 properties listed for sale from \$10,000,000 to \$39,500,000, which includes properties in Virginia, Washington, DC and Maryland.

Agriculture is of minimal interest for most estate farm owners. In fact, many horse and cattle farms have few, if any, animals on the property. The properties are used as "gentleman farms" where the fields are hayed and often leased to other farmers. In the past several years purchasers have been renovating the homes with elaborate kitchens and additions. These upgrades range from several hundred thousand dollars to multiple millions of dollars. Some renovations cost as much as the purchase of the farm. The purchase prices are well beyond that which is affordable for agricultural uses.

Higher price range properties, over seven million dollars, are often one of several homes owned by wealthy purchasers, while middle to lower price range estates are often the primary home of the purchaser.

Conservation easements that restrict land development are often donated as a charitable contribution for which an income tax deduction is received. While the farm under easement can no longer be subdivided for residential use, the farms are becoming neighborhoods for large acreage properties that have appeal as exclusive private home sites. This trend is similar to other high land price areas such as Albemarle, Loudon and Fauquier Counties, Virginia.

**SITE DESCRIPTION****Legal Description of the Subject Property**

A legal description of the subject property can be found in instrument number 070034969 in the Clerk's Office of James City County. Copies of this deed are located in the addenda. The parcel is identified by the Assessor's Office as Parcel ID 5910100030.



Source: <http://property.jccgov.com/ParcelViewer/output/1b918403-b5f1-4e9d-bda7-7327a45e48cc.jpg>

**Ownership**

As of the effective date of this report, Carter's Grove, LLC, owns the subject.

**Location**

The subject property is located along the southern margin of Route 60 (Pocahontas Trail), just east of Kingsmill Resort and Golf and approximately five miles east of historic Williamsburg. The physical address of the main residence is 8797 Pocahontas Trail, Williamsburg, James City

County, Virginia 23185-6025. Historic Williamsburg is the most popular tourist attraction in the Commonwealth of Virginia.

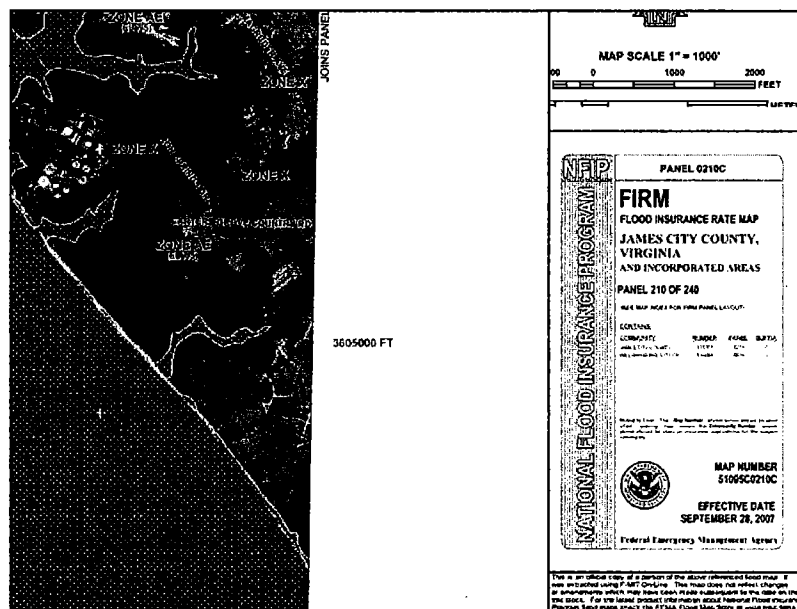
### Size, Shape, and Access

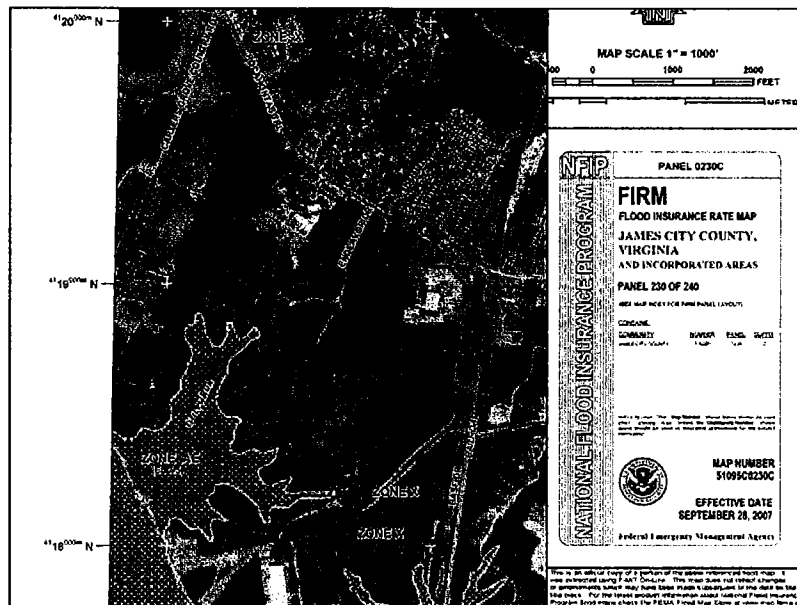
The subject property's land consists of one tax parcel containing 400.532-acres. It is rectangular in shape. The subject is accessed by two points along Pocahontas Trail and one point along Ron Spring Road. Water access is via the James River with over one mile of frontage. The property has an extensive internal road network to several points throughout the property. The size, shape, and access to the parcels are conducive to development for residential and agricultural purposes.

### Topography

The subject site is generally rolling and there are limited areas of critical slope (excess of 25%). The site is approximately 60% clear with the remainder wooded. The property has over one mile of water frontage along the James River, one pond and several tributary streams. The subject is at grade with its road frontages. The subject offers excellent water views.

According to Federal Emergency Flood Rate Maps 51095C210C and 51095C230C, dated September 28, 2007, the majority of the subject is located within Zone X, outside the 100-year flood plain. According to Areas along the James River and its tributaries are located in Zone AE, within the 100-year flood plain. Copies of the maps follow.





### **Environmental Issues**

Physical inspection of the property did not reveal any obvious environmental issues nor is your appraiser qualified to detect such issues. This appraisal report and the value estimates contained herein assume no potential liability resulting from any soil contamination due to storage of hazardous waste material and/or chemical spills that may have occurred on this property over the years (see limiting conditions). Your appraiser is not qualified to determine any environmental issues pertaining to the subject property, and the market values stated throughout this report are based on the subject property being free and clear of any and/or all environmental contamination. No environmental assessment or report has been provided to AGI.

### **Utilities**

Public water is available to the subject property. The subject has three septic systems which service the manor house, tenant house and barns. Public sewer lines are available along the subject's northern border along Pocahontas Trail. There is sufficient utility capacity to serve the site under its highest and best use.

### **Easements and/or Encroachments**

The subject has typical utility easements. The subject is under a conservation easement to the Virginia Outdoors Foundation and the Virginia Board of Historic Resources dated December 14, 2007 and is recorded in instrument number 07034660 in the James City County Clerk's Office. The conservation easement restricts potential division, but does allow for additional dwellings and farm buildings to be erected within certain areas of the property. The easement also restricts trash, signs, forestry management, riparian buffers, and grading/blasting/mining, among restrictions to renovations and/or additions to the Manor House.

Carters Grove is also subject to an Archaeological Agreement with The Colonial Williamsburg Foundation, dated December 17, 2007 and is recorded in instrument number 070034971. This agreement ends January 1, 2033, and grants the exclusive right and profit for the purpose of recovering, removing, owning and possessing any and all artifacts or items whatsoever located or found in, over, under, through and across the "Artifact Sites." Certain portions of the property are designated "artifact sites" which are recorded in the Deed of Gift of Easement.

### **Zoning**

The subject is zoned R8, Rural Residential District. Land located within this district cannot be developed to a high density. The subject's current use is a legally conforming use. The statement of intent is:

Generally, the Rural Residential District, R-8, is intended for application to rural areas of the county which remain inside the primary service area where utilities and urban services are planned but not yet fully available and where urban development may be expected in the near future. The district may also be applied to certain outlying areas where residences exist at similar densities or may be appropriate in view of housing needs. The district is intended to maintain a rural environment suitable for farming, forestry and low-density rural residence, together with certain recreational and public or semipublic and institutional uses, until such time as an orderly expansion of urban development is appropriate.

#### **Sec. 24-348. Permitted uses.**

In the Rural Residential District, R-8, structures to be erected or land to be used shall be for the following uses:

Accessory apartments in accordance with section 24-32.

Accessory buildings and structures.

Accessory uses, as defined herein.

Communication towers and tower mounted wireless communication facilities, up to a height of 35 feet.

Farmers markets, limited in area to 2,500 square feet.

General agriculture, dairying, forestry, general farming and specialized farming, excluding the raising of hogs, but not commercial livestock or poultry operations which require a special use permit in the General Agricultural District, A-1.

Home occupations, as defined herein.

Horse and pony farms of less than 50 animals (including the raising and keeping of horses), riding stables.

House museums.

Nurseries.

Off-street parking as required by section 24-53.

Petroleum storage on a farm as an accessory use and not for resale.

Preserves and conservation areas for protection of natural features and wildlife.

Rest homes for fewer than 15 adults.

Site-built single-family detached dwellings and modular homes.

Slaughter of animals for personal use but not for commercial purposes.

Storage and repair of heavy equipment as accessory use to a farm.

Timbering in accordance with section 24-43.

Water impoundments, new or expansion of, less than 20 acres and with dam heights of less than 15 feet.

Wayside stands for seasonal sale of agricultural products, limited in area to 500 square feet.

Wineries, as herein defined, including a shop for retail sale of wine, but not including other commercial accessory uses.

Wireless communications facilities that utilize alternative mounting structures, or are building mounted, or

are camouflaged, and comply with division 6, Wireless Communications Facilities.

(Ord. No. 31A-88, 20-36, 4-8-85; Ord. No. 31A-99, 10-6-86; Ord. No. 31A-114, 5-1-89; Ord. No. 31A-122, 6-18-90; Ord. No. 31A-131, 6-3-91; Ord. No. 31A-145, 7-6-92; Ord. No. 31A-167, 3-26-96; Ord. No. 31A-176, 5-26-98; Ord. No. 31A-202, 12-21-99)

**Sec. 24-349. Uses permitted by special use permit only.**

In the Rural Residential District, R-8, structures to be erected or land to be used for the following uses shall be permitted only after the issuance of a special use permit approved by the board of supervisors in accordance with the procedures, guides and standards of sections 24-9 and 24-10 and such other guides and standards as may be contained in this chapter:

Adult day care centers.

Airports and landing fields, helistops or heliports and accessory uses.

Barber and beauty shops.

Business, governmental, and professional offices.

Campgrounds.

Cemeteries and memorial gardens, not accessory to a church or other place of worship.

Child day care centers.

Commercial livestock or poultry operations for more than 100 slaughter or feeder cattle, 70 dairy cattle, 250 swine, 1,000 sheep, lambs, goats or similar animals, 50 horses, 10,000 chickens, or 5,500 turkeys or ducks.

Communication towers over 35 feet in height.

Community recreation facilities, public or private, including parks, playgrounds, clubhouses, boating facilities, swimming pools, ball fields, tennis courts, and other similar recreation facilities, but not those approved as a part of a planned unit development.

Convenience stores; if fuel is sold, then in accordance with section 24-38.

Drug stores.

Electrical generation facilities (public or private), electrical substations with a capacity of 5,000 kilovolt amperes or more and electrical transmission lines capable of transmitting 69 kilovolts or more.

Excavation or filling, borrow pits, extraction, processing and removal of sand and gravel and stripping of topsoil (but not farm pond construction, field leveling or stripping of sod for agricultural purposes and excavations in connection with development which has received subdivision or site plan approval, which activities do not require a special use permit).

Family care homes, foster homes or group homes serving physically handicapped, mentally ill, mentally retarded or other developmentally disabled persons for more than five such persons.  
Farm equipment sales and service establishments.  
Farmers' markets over 2,500 square feet.  
Feed, seed and farm supplies.  
Fire stations or rescue squad stations, volunteer or otherwise.  
Fish farming and aquaculture.  
Flea markets, temporary or seasonal.  
Food processing and storage, but not the slaughter of animals.  
Food processing and storage in a residence.  
Gift shops, antique shops.  
Golf courses and country clubs.  
Greenhouses, commercial.  
Group quarters for agricultural workers.  
Home care facilities.  
Horse and pony farms with 50 or more animals.  
Horse show areas, polo fields.  
Hospitals.  
Hotels and motels.  
Houses of worship and cemeteries accessory thereto.  
Hunting clubs.  
Kennels.  
Lodges, civic clubs, fraternal organizations, and service clubs.  
Manufacture and sale of wood products.  
Manufactured home parks.  
Manufactured homes in accordance with section 24-107 and section 24-108 not located within the primary service area.  
Medical clinics or offices.  
Neighborhood Resource Centers.  
Nursing homes and facilities for the residence and/or care of the aged.  
Photography, artist and sculptor studios.  
Photography sales and arts and crafts shops.  
Post offices and public buildings generally.  
Radio and television stations or towers.  
Railroad facilities including tracks, bridges, switching yards and stations. However, spur lines, which are to serve and are accessory to existing or proposed development adjacent to existing railroad right-of-ways, and track and safety improvements in existing railroad right-of-ways, are permitted generally and shall not require a special use permit.  
Raising of hogs.  
Rental of rooms to a maximum of three rooms.  
Rest homes for 15 or more adults.  
Restaurants, taverns.  
Retail shops associated with community recreation facilities.  
Retreat facilities.

Sanitary landfills in accordance with section 24-40, waste disposal or publicly owned solid waste container sites.

Schools, libraries, museums and similar institutions.

Seminaries.

Telephone exchanges and telephone switching stations.

Tourist homes.

Tower mounted wireless communications facilities in accordance with division 6, Wireless Communications Facilities, over 35 feet in height.

Transmission pipelines (public or private), including pumping stations and accessory storage, for natural gas, propane gas, petroleum products, chemicals, slurry coal and any other gases, liquids or solids. However, private extensions or connections to existing pipelines, which are intended to serve an individual residential or commercial customer and which are accessory to existing or proposed development, are permitted generally and shall not require a special use permit.

Two-family dwellings.

Utility substations.

Veterinary hospitals.

Water facilities (public or private), and sewer facilities (public), including, but not limited to, treatment plants, pumping stations, storage facilities and transmission mains, wells and associated equipment such as pumps to be owned and operated by political jurisdictions. However, the following are permitted generally and shall not require a special use permit:

(a) private connections to existing mains that are intended to serve an individual customer and are accessory to existing or proposed development, with no additional connections to be made to the line;

(b) distribution lines and local facilities within a development, including pump stations.

Water impoundments, new or expansion of, 20 acres or more or with dam heights of 15 feet or more.

Wayside stands for sale of agricultural products over 500 square feet in area.

Yacht clubs and marinas and commercial and service facilities accessory thereto.

Source: James City County Zoning Ordinance

A copy of the R8 zoning regulations is located in the addenda.

Furthermore, a conservation easement placed on the property restricts potential division. Properties of this quality and land size typically have conservation easements placed on them from further development and as a way to protect the property for future generations.

**Real Estate Assessment and Taxes**

The 2009 real property tax rate is \$0.77 per \$100 of assessed value. The subject's assessment is as follows:

Land	\$ 801,900
<u>Improvements</u>	<u>\$3,791,800</u>
Total	\$4,593,700

Based on the 2009 assessment and 2009 tax rate, the subject's real estate tax is estimated to be \$35,371 (\$4,593,700 x \$0.0077). The subject's tax assessment is below the market value estimated in this report, which is due to taxation provisions for properties with conservation easements. Please note that the most recent assessments for the past two years were for a total of \$14,670,200, annually.

**History of the Subject Property**

The subject property transferred on December 19, 2007 for a recorded price of \$15,300,000 on instrument number 070034969 to Carter's Grove, LLC, Grantor. Colonial Williamsburg, Grantee, had operated the subject property as a museum for over 20-years and had decided it no longer fit into its historical programs offered. Since Colonial Williamsburg has owned the property extensive renovations to the main house, archeological digs, the Rockefeller Museum - an earth sheltered bunker to house the artifacts, barns and land renovation have occurred over the years. According to the brokers for both parties, this was an arm's-length transaction and current market terms. During negotiations and as part of the contract of purchase, the purchaser placed an open space easement on the entire property. According to the owner, the purchase price was \$20,300,000 with a \$5,000,000 tax credit for the open space easement, therefore the \$15,300,000 recorded purchase price. The appraised value is within range of the total purchase price.

This property had a historic preservation, conservation, and open space easement placed on it by Colonial Williamsburg and given to the Virginia Outdoors Foundation and the Virginia Board of Historic Resources before sale. Details of the easement are recorded in the James City Courthouse under Instrument # 07034660.

This was the site of Wolstenholme, a historically significant 17th century English Settlement, part of Martin's Hundred community, a plantation of the Virginia Company, founded in 1619.

A 25-year Archeological Agreement between Carters Grove, LLC and Colonial Williamsburg was recorded at time of sale. It detailed an exclusive easement of right and profit for purpose of recovering, removing, owning, and possessing any and all artifacts found on the property. It expires on January 1, 2033.

**DESCRIPTION OF THE IMPROVEMENTS****Building Improvements**

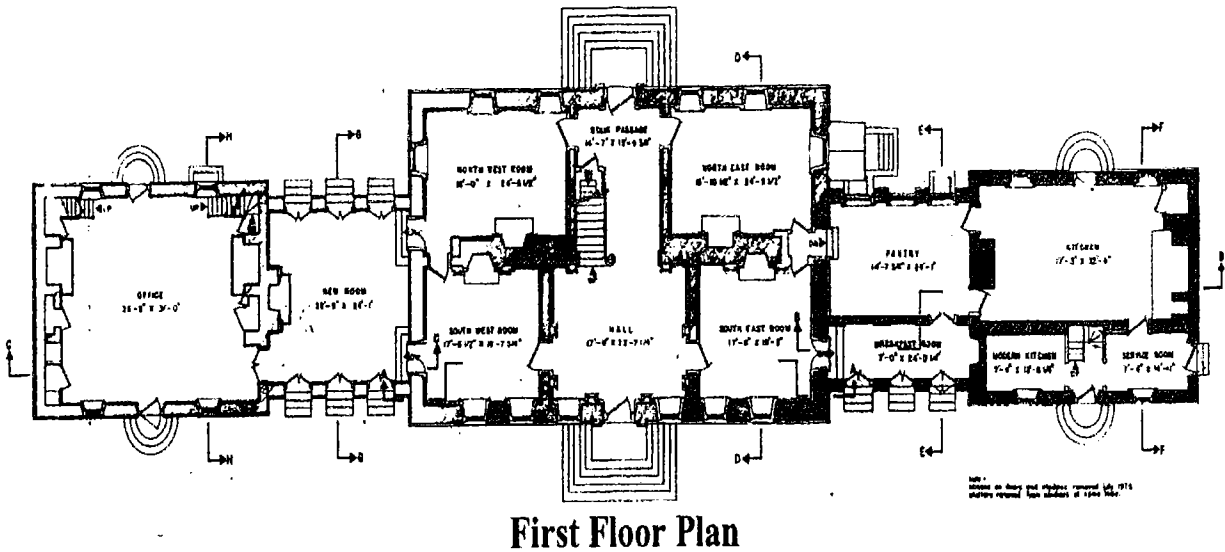
The subject property is currently improved with a historic residence, one tenant house, Rockefeller Museum, various barns, sheds, etc. The subject has a good paved and gravel road system for access to all structures. Property details for the subject's improvements are based upon inspection, historical sketches and public records.

**Historic Residence – Carter's Grove**

The main residence is of historic construction consisting of three stories above grade and one level of unfinished basement space. The entire house has wide plank pine flooring, except in the bathrooms which have marble flooring. Building layout plans have been provided.

Above Grade Finished Space:	18,709 square feet
Basement Area:	5,496 square feet
Finished Basement Area:	0 square feet
Bedrooms:	12
Bathrooms:	7.5 (additional half bath in basement)
Fireplaces:	17
Foundation:	Brick
Roof:	Slate
Exterior Walls:	Brick
Interior Walls:	Plaster with extensive molding and raised panel two inch thick heart pine wainscot
Ceiling:	Plaster, 12' ceilings
Windows:	Triple-hung
Insulation:	Adequate
Electrical:	Adequate; back-up diesel generator
Lighting:	Adequate- mostly recessed lighting
Plumbing:	Adequate
Fire Protection:	Sprinkler in attic and basement
HVAC:	Multi-zone hot and cold chiller system
Landscaping:	Attractive landscaping
Garage:	None
Security:	Whole house alarm system
Year Built:	1750, remodeled in 1920's, renovated in 1970's
Effective Age:	40 years

Comments: The subject is in excellent condition and was last renovated approximately 50 years ago. The kitchen and upstairs bathrooms are dated, having been updated in the 1920's renovations.



**Layout:** The first floor contains the center reception hall with elaborate three-story staircase with access to the front and rear of the house and basement. The west wing contains a library with fireplace; "Refusal" room with fireplace; dining room with fireplace; and office with two fireplaces, ½ bath, wet bar area, and access to the basement, exterior and upstairs. The east wing contains the northeast room with fireplace; southeast room with fireplace, pantry with built-in cabinetry; breakfast room with brick floors and walls and access to the exterior; old kitchen with fireplace and cabinetry and access to the exterior; and modern kitchen with asbestos tile flooring, two sets of double-ovens, stovetop, and service room and access to the exterior.

